



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 5-90 – Regulations for Disease Reporting and Control
Department of Health (State Board of)
March 14, 2008

Summary of the Proposed Amendments to Regulation

The proposed regulations add permanently Methicillin-Resistant Staphylococcus aureus to the list of diseases that must be reported to the Virginia Department of Health by laboratories. The proposed changes have been in effect since October 2007 under emergency regulations.

Result of Analysis

There is insufficient data to accurately compare the magnitude of the benefits versus the costs.

Estimated Economic Impact

The State Board of Health (Board) proposes to make permanent emergency regulations that have been in effect since October 2007. The proposed changes require laboratory directors to report Methicillin-Resistant Staphylococcus aureus (MRSA) infections confirmed from specimens collected from normally sterile sites of the body.

Health professionals generally consider the presence of MRSA bacteria on the skin or in the nose normal. Though these bacteria are generally harmless, they may cause serious illness in individuals with weakened immune systems. Thus, the Board proposes to require reporting of cases when specimens collected from normally sterile sites of the body are infected.

The compliance costs of the proposed reporting are expected to be small. The main compliance costs are the staff time devoted to report the confirmed infections and the cost of reporting which in most cases would include the cost of stationeries and postage. Also, Virginia Department of Health (VDH) will have to devote some staff time to process the reports it

receives. VDH estimates that approximately 100 laboratories will be reporting about 2,700 cases annually.

Expected benefits from the proposed regulations also appear to be small. Unlike other reportable diseases on the list, there does not appear to be much that VDH can do once a confirmed infection is reported. However, the proposed reporting would afford VDH an easy way of monitoring MRSA infections in the Commonwealth.

Businesses and Entities Affected

The proposed regulations apply to approximately 100 laboratories.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

No significant impact on employment is expected other than the increase in staff time to report and process about 2,700 occurrences expected per year.

Effects on the Use and Value of Private Property

No significant effect is expected on the use and value of private property.

Small Businesses: Costs and Other Effects

Approximately 2/3 of the affected 100 laboratories are believed to be small businesses. Laboratories that are small businesses are expected to incur small staff time and office expenses needed for reporting of MRSA cases.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There is no other known alternative that would achieve the same goal less costly.

Real Estate Development Costs

The proposed regulations are not expected to create any real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact

analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.